

April 24, 2014
Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the April 24, 2014 meeting were distributed to Commission members, intervenors and other interested parties on March 20, 2014 and sent to the Secretary of State's Office for posting on March 20, 2014.

Commission Present: Mike Wiers, Colon Durrell, Richard Cook, Stanley Millay and Matt Randall, *ex-officio*

Commission Absent: None

Department Officials: None

Staff Present: Tim Drake, Executive Director, Audrey Shorty, Resource Administrator and Carol Gauthier, Office Associate

Legal Counsel: Not Present

Intervenors Present: Tom Brigham and Douglas Carr of Oakhurst Dairy, John Blake, H.P. Hood, Shelley F. Doak, Maine Grocer Association, Julie-Marie Bickford and Dale Cole of MDIA and Clayton Davis of DMS/DFA

Others Present: Chuck Farrand, and Walter Fletcher, dairy farmers and Mary Frank, member of the public

Chairman Wiers called the meeting to order at 10:34 a.m.

Agenda Item 1: Minutes: Richard Cook made a motion to accept the minutes of the March 20, 2014 meeting, Matt Randall seconded the motion. Motion passed 4-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General:

Agenda Item 3: Minimum Prices:

Tim Drake reported that a prevailing premium of \$1.10/cwt. on Class I for May 2014, Dairy Marketing Services (DMS) and Agri-Mark had been reported. In addition to this premium, DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect. Federal Order One Class I price for May is \$27.72, an increase of \$0.82/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.25/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony from the intervenors.

Julie-Marie Bickford encouraged that the Commission continue to take a slow and deliberate approach to lowering the COPA, just as they were when raising it during times of low Class I prices. She also said that with spring finally here many farms are getting ready for planting and the related fuel and fertilizer costs.

Walter Fletcher stated that while the milk price is good he continues to pay down bills accrued while prices were low; he also stated that it is a slow process to recover from depressed prices.

Dale Cole also mentioned transportation costs that are being shifted onto the producers and that prices are predicted to weaken some in the near future.

John Blake asked the Commission to consider lowering the producer margin to \$1.10/cwt. He also asked if not now, when? He stated that milk prices now are at record highs.

Dale Cole stated that the margins for producers were not at record highs.

Tom Brigham noted that the forecasted feed margins from Agri-Mark looked strong going forward.

Julie Marie Bickford pointed out that the history of the producer margin relative to the Class I price show slow movement in any direction but over the last few months the producer margin has been dropped rapidly. She asked that the producer margin be kept at \$1.25/cwt.

Dale Cole asked what the production trend looked like in Maine.

Tim Drake answered that production is down 4% since last year.

Shelley Doak asked that the producer margin be dropped to \$1.10/cwt as John Blake had proposed. She also stated that processors and retailers equally face challenges with higher prices and that border stores are really under stress due to lower prices in New Hampshire.

Dale Cole pointed out that most retailers are charging over \$5.00 a gallon.

Tom Brigham asked that the proposed \$1.10/cwt. producer margin be adopted.

Colon Durrell stated that he did not disagree with either side he continues to be concerned about the competitiveness of Maine retailers. He made a motion to accept order #05-14 with a producer margin of \$1.16/cwt.

Matt Randall seconded the motion.

Chairman Wiers called for a vote on the motion. The motion passed 4-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for April 2014 which showed retail prices for Augusta, Scarborough, South Portland, Brunswick, Biddeford, Bangor and Brewer. The IAMCA price survey for February 2014 was also reviewed.

Agenda Item 5: Next Scheduled Meetings:

- May 22, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- June 19, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- July 25, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- August 21, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME

Agenda Item 6: Other:

1. **Monthly Financial Report:** The financial report for FY14 was reviewed.

2. **Producer Margin Contract:** Tim Drake announced that the contract for the new Producer Margin study had been awarded to the University of Maine.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 10:54 a.m. April 24, 2014.
Tim Drake, Maine Milk Commission